

October 14, 2022

The Honorable Martin Glenn
United States Bankruptcy Court, Southern District of New York
One Bowling Green New York, NY 10004-1408
Re: Celsius Network LLC, et al. ("Celsius"), Case Number 22-10964

Dear Judge Glenn:

This is in regard to earn accounts with Stablecoin because I believe they represent a different class than other account holders, yet Celsius evidently, through the court, has asked that Celsius be allowed to sell the stablecoin to fund operations.

Stablecoin holders in earn accounts, unlike other cryptocurrency investors, are not speculating in a known volatile market. I assume that the huge fall of the crypto market was the cause of the bankruptcy. It does not make sense that those depositors who were not even involved in the volatile market should lose their funds. As a retiree needing to earn some interest on my savings, I felt I was making a prudent decision to invest in stablecoin.

On March 3 & 4, 2022, I deposited a total of \$25,000 in a Celsius Network earn account for Stablecoin. (Evidently, this was shortly before a depositor had to be an accredited investor to open an account, as I am not.) The account at the time, I believe, was to earn 8% interest vs. traditional savings accounts or CDs that were earning less than 1%. Financial advice is constant that letting your money sit without earnings was a sure road to loss due to inflation. The stock market had already become unstable, having just reached a high point with predictions of high volatility and a bear market. Therefore, as a retiree with a short investment period ahead of me, it did not seem prudent to invest in the stock market. About the same time, I purchased US government I Bonds with an interest rate, as I recall, at 7.9%, but a purchaser could only purchase \$10K per person per year. My point is that I believe I am a prudent investor and did not think I was taking a big risk with stablecoin.

Therefore, I deposited my \$25K in savings in what I thought was a safe/stable investment, similar to opening a savings account at a bank. Stablecoin was advertised as being backed by dollars held in a bank. I assumed that Celsius, like a bank, could lend those funds out. However, online information led me to understand that their loan to value policies for lending money and their aggressively calling loans due if the crypto market dipped would provide safety for the company. It was my understanding that Celsius was simply holding the stable coin but could not confiscate the money. From what I now read, Celsius claims the terms of use were that the money in earn accounts is their asset, but I question whether that policy was clearly and prominently stated on the website when I deposited my savings. Who would knowingly agree to that?

I believe that the majority of stablecoin account holders were, like me, simply seeking a reasonable interest and thought it was only slightly riskier than a bank and probably a lot less risky than the stock market at the time. There certainly was no indication that we were in the same boat with those investors who were willing to take huge risks for possible huge gains. I hope you will take into consideration that there is a big difference between the stablecoin holders and holders of other cryptocurrencies.

Thank you.
Susan Kendall